delivered at the Closing. Purchaser shall deliver a preliminary base case pro forma to Seller prior to Closing promptly following Purchaser's receipt thereof from lender. Seller shall have the right to timely inspect and receive copies of all finance documents related to the Project. The calculation of the Equity Cost shall be furnished to Seller upon request of Seller and Seller shall promptly notify Purchaser of any objections. In the event Seller objects to the calculation of the Equity Cost, any dispute shall be submitted for resolution by arbitration in accordance with Paragraph 14 (j) herein.

(II) The form of Co-Tenancy Agreement (the "CTA") shall be reasonably acceptable to Purchaser and Seller, shall be executed by Purchaser and Seller on the Closing Date, and from and after the Closing Date shall govern the relationship between Seller and Purchaser except as specifically set forth herein, and shall provide for, among other things, the following:

(i) At Closing, the Premises shall be free and clear of any liens or other exceptions to title other than any lien solely for purposes of financing the Project, necessary easements, rights of way, variations of lot lines, building and zoning restrictions, state of facts a survey would show, and other permitted exceptions to title set forth on Exhibit "C".

(ii) Each party's Co-Tenancy vehicle shall be a single purpose, bankruptcy-remote, New York or Delaware entity approved as to form by the other party. BHI shall be deemed approved for purposes hereof.

(iii) The CTA shall be in recordable form. All expenses in connection with the formation and closing of the Co-Tenancy shall be borne by the Co-Tenancy, except that each party shall bear its own legal expenses. The Co-Tenancy shall bear all operating expenses of the Project as well as real estate taxes, capital expenditures, reasonable developer's expenses incurred by Purchaser, and any negative cash flow of the Project. Nothing in this section shall affect the closing adjustments referred to in paragraph 4 below.

(iv) All items of profit, loss, net cash flow, credit and other items shall be allocated or distributed to Purchaser and Seller in accordance with their respective percentage interests in the Co-Tenancy, except that advances by Purchaser from and after the Closing to cover cash deficit requirements shall be deemed priority loans entitled to repayment out of first proceeds of sale or refinancing of the Project. Neither member shall have any right to receive cash distributions except out of operating cash flow (except upon the sale or refinancing of the Project or liquidation or reorganization of the Co-Tenancy) or to receive any distribution in kind.

(v) David Norkin shall not be prevented or limited from engaging in other business enterprises including the power generation business.

(vi) Seller shall have access on a confidential basis to all bank statements, books and records of the Co-Tenancy relating to the Project.

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(vii) The Purchase Price or portion thereof converted by Seller shall be deemed Seller's sole obligation to contribute capital to the Co-Tenancy.

(viii) Subject to the provisions of subparagraph 12 (d), the Co-Tenancy shall indemnify, defend and hold harmless Seller and David Norkin from any and all environmental, hazardous, or toxic substance claims, fines, or obligations which may arise after the Closing Date (except as provided in 14 (f) below), or be asserted against the Project, under any local, state or federal law, and from any and all legal fees or other expense incurred by Seller or David Norkin in the defense of any such claims.

(ix) Purchaser shall, with due diligence and in good faith endeavor to complete the Project in accordance with its plans.

(x) Absent fraud, each party, and their assignees if any, irrevocably waive any right of partition in any action to interpret or enforce this Agreement.

(xi) Seller shall to the fullest extent possible cooperate with Purchaser in advancing the interests and plans of the Co-Tenancy, provided, that Seller shall not be obligated to incur any expense other than those expenses incurred by Seller such as legal, financial or other professional advice obtained by Seller concerning Seller's rights and obligations respecting the Co-Tenancy.

(xii) Subject to any reasonable restrictions imposed by the lender and the terms of this subparagraph, there shall be no limitation on Seller's right to assign, pledge or otherwise transfer its interest, or portion thereof in the Co-Tenancy, or to cause a sale, pledge or transfer of its equity securities (collectively a "Transfer"). Should Seller desire to effectuate a Transfer (a) to an entity directly engaged in the power generation business, Seller shall consent to the preclusion of the transferee from the right of inspection set forth in "(vi)" above, or (b) the transferee shall execute a writing agreeing to be bound the confidentiality obligations set forth in "(vi)" above and refrain from employing any confidential information to the detriment of Purchaser's or the Project's business. Notwithstanding anything contained herein, Seller may effectuate a Transfer to any person or entity with the consent of Purchaser, not to be unreasonably withheld or delayed, and the agreement of such person or entity to be subject to the terms of the CTA.

(xiii) Distributions of net cash flow shall be made at least semi-annually, subject to reasonable restrictions required by the lender.

(c) During the Option Period, Purchaser, its agents and contractors shall have the right to enter upon the Premises for the purpose of making surveys and conducting tests and other procedures in furtherance of obtaining the Permits as defined below. Purchaser shall provide Seller with a copy of any and all such reports, surveys, test results, or similar documents, without cost to Seller. Purchaser shall refrain from any act which may materially adversely effect the physical or legal aspects of the Premises under any applicable land use or environmental protection Laws. This

(vii) The Purchase Price or portion thereof converted by Seller shall be deemed Seller's sole obligation to contribute capital to the Co-Tenancy.

(viii) Subject to the provisions of subparagraph 12 (d), the Co-Tenancy shall indemnify, defend and hold harmless Seller and David Norkin from any and all environmental, hazardous, or toxic substance claims, fines, or obligations which may arise after the Closing Date (except as provided in 14 (f) below), or be asserted against the Project, under any local, state or federal law, and from any and all legal fees or other expense incurred by Seller or David Norkin in the defense of any such claims.

(ix) Purchaser shall, with due diligence and in good faith endeavor to complete the Project in accordance with its plans.

(x) Absent fraud, each party, and their assignees if any, irrevocably waive any right of partition in any action to interpret or enforce this Agreement.

(xi) Seller shall to the fullest extent possible cooperate with Purchaser in advancing the interests and plans of the Co-Tenancy, provided, that Seller shall not be obligated to incur any expense other than those expenses incurred by Seller such as legal, financial or other professional advice obtained by Seller concerning Seller's rights and obligations respecting the Co-Tenancy.

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(d) Purchaser shall endeavor with due diligence in good faith to obtain all required permits, licenses, consents and approvals (the "Permits") required under all applicable Federal, state and local statutes, codes and regulations (the "Laws") in order to develop the Project in accordance with Purchaser's plans. Seller shall to the fullest extent possible, cooperate without cost to Seller and shall furnish to Purchaser on a confidential basis any studies, surveys and documentation in Seller's possession affecting the Premises. Purchaser shall advise Seller on a regular basis of the progress of the Permit endeavors, furnishing Seller with copies of all applications filed and studies obtained in connection therewith.

(e) Upon termination of this Agreement without exercise of the Option, Purchaser shall quit and surrender the Premises in a condition substantially identical to its present condition, free of liens, contamination and other matters arising out of Purchaser's activities under this Section. Purchaser shall surrender to Seller all studies, test results and surveys, concerning the Premises, prepared by Purchaser or at Purchaser's direction, this obligation to survive any termination or cancellation hereof.

(f) At Purchaser's request on 10 days' notice to Seller, Seller will execute and deliver in recordable form a memorandum in the form annexed as Exhibit "D" and Tax Law Section 255 affidavit, provided, recordation thereof shall be at Purchaser's expense.

4. At the Closing, real estate taxes and sewer rents, if any, on the basis of the fiscal year for which assessed with interest and penalties thereon, shall be adjusted as of midnight preceding the Closing Date. If the real estate tax rate for the current year has not been finally determined by the taxing authorities such taxes shall be prorated on the basis of the most recently ascertainable assessed valuation multiplied by the most recently ascertainable tax rate, and when the assessed valuation and real estate tax rate shall be finally ascertained, the adjustment shall be recomputed and the difference, if any, between the correct tax adjustment shall be paid to the party entitled thereto by the other party. The parties acknowledge that the Premises currently constitute part of a larger tax lot and are not separately assessed. Seller shall endeavor in good faith and with due diligence to cause the Premises to be separately assessed by the Finance Administrator on or prior to the Closing Date. This provision shall survive the Closing. Should Seller be unable to separately apportion the real estate taxes and/or tax liens prior to closing, Seller shall endeavor in good faith and with due diligence to do so following the closing at its expense, without prejudice to the Closing.

5. If on the Closing Date the Premises or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, of which the first installment shall be a charge or lien or has been paid, and the related improvements

completed then, for purposes of this Agreement, all the unpaid installments of any such assessment, including those which are to become due and payable after the Closing Date, shall be deemed to be due and payable and to be liens upon the Premises affected thereby and shall be paid and discharged by the Seller on the Closing Date.

6. The following shall be deemed obligations of Seller condition precedent to the performance of the Purchaser's obligation to close title hereunder:

(a) (I) The Premises shall be free and clear of all liens, mortgages, leases, encumbrances and tenancies, and title thereto shall be such as First American Title Insurance Company of New York, or such other co-insurance title company utilized by Purchaser, shall be willing to approve and insure without exception (other than the items set forth on Exhibit "C" (the "Permitted Exceptions")), except as expressly provided in Sections 12 (d) and 12 (e) hereof.

(II) Seller shall have performed its obligations under Section 5 and shall have tendered the deed, the Memorandum of Option in the form attached as Exhibit "D", and the remaining closing documents required hereunder.

(III) The Premises shall have been subdivided in accordance with applicable regulations as evidenced by a title endorsement, legal opinion or administrative action to such effect.

(IV) Seller's warranties and representations set forth below shall be true and correct as at Closing.

(b) In the event that the foregoing covenants and conditions shall not have been fully performed or satisfied as of the Closing Date, Purchaser shall have the right to (i) extend the Closing Date for such period, not to exceed 90 days, as Purchaser or Seller is prosecuting any applications, proceedings and appeals (beyond any right of further appeal) or clearing such conditions, until all the foregoing shall have been satisfied or (ii) of canceling this Agreement upon 15 days' notice to Seller, and upon the giving of such notice this Agreement shall be of no further force or effect and neither party thereafter shall have any further rights or liabilities hereunder, except as expressly herein provided. Should Seller default in the performance of any of its material obligations hereunder, and fail to cure same within 90 days of notice thereof (time being of the essence hereof), Purchaser's sole and exclusive remedy shall be to terminate this Agreement on notice to Seller, provided nothing herein shall prejudice Purchaser's rights at law or equity, including the right to specific performance and/or the right to receive a refund of Option Deposits previously paid in the event of Seller's wilful default, or arbitrary refusal to proceed. With respect to any matter under this Agreement requiring performance by Seller, Purchaser shall have the right to waive performance or a default by Seller and proceed to close title without any offset or reduction in the Purchase Price.

(c) Notwithstanding anything to the contrary contained in this Agreement, should Purchaser fail to meet the material requirements of this Agreement or otherwise default or commit completed then, for purposes of this Agreement, all the unpaid installments of any such assessment, including those which are to become due and payable after the Closing Date, shall be deemed to be due and payable and to be liens upon the Premises affected thereby and shall be paid and discharged by the Seller on the Closing Date.

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(II) Seller shall have performed its obligations under Section 5 and shall have tendered the deed, the Memorandum of Option in the form attached as Exhibit "D", and the remaining closing documents required hereunder.

(III) The Premises shall have been subdivided in accordance with applicable regulations as evidenced by a title endorsement, legal opinion or administrative action to such effect.

(IV) Seller's warranties and representations set forth below shall be true and correct as at Closing.

(b) In the event that the foregoing covenants and conditions shall not have been fully performed or satisfied as of the Closing Date, Purchaser shall have the right to (i) extend the Closing Date for such period, not to exceed 90 days, as Purchaser or Seller is prosecuting any applications, proceedings and appeals (beyond any right of further appeal) or clearing such conditions, until all the foregoing shall have been satisfied or (ii) of canceling this Agreement upon 15 days' notice to Seller, and upon the giving of such notice this Agreement shall be of no further force or effect and neither party thereafter shall have any further rights or liabilities hereunder, except as expressly herein provided. Should Seller default in the performance of any of its material obligations hereunder, and fail to cure same within 90 days of notice thereof (time being of the essence hereof), Purchaser's sole and exclusive remedy shall be to terminate this Agreement on notice to Seller, provided nothing herein shall prejudice Purchaser's rights at law or equity, including the right to specific performance and/or the right to receive a refund of Option Deposits previously paid in the event of Seller's wilful default, or arbitrary refusal to proceed. With respect to any matter under this Agreement requiring performance by Seller, Purchaser shall have the right to waive performance or a default by Seller and proceed to close title without any offset or reduction in the Purchase Price.

(c) Notwithstanding anything to the contrary contained in this Agreement, should Purchaser fail to meet the material requirements of this Agreement or otherwise default or commit a breach hereof (an "Event of Default"), Seller shall have the right to terminate this Agreement upon notice to Purchaser. Upon the giving of such notice and Purchaser's failure to cure the Event of Default within 90 days thereafter (time being of the essence), the parties shall be released and relieved of any and all further obligations or liabilities hereunder, including any installment payments of the Option Deposit not yet due pursuant to paragraph 1 (b) and this Agreement shall be of no further force or effect except as provided in subparagraphs 3 (c) and (e); paragraph 9; and subparagraphs 14(f) and (j); it being acknowledged by the parties hereto that punitive damages are not available as a remedy hereunder.

(d) Purchaser may terminate this Agreement on notice to Seller. Upon the giving of such notice, the parties shall be released and relieved of any and all further obligations or liabilities hereunder, including any installment payments of the Option Deposit not yet due pursuant to paragraph 1 (b) and this Agreement shall be of no further force or effect except as provided in subparagraphs 3 (c) and (e); paragraph 9; and subparagraphs 14(f) and (j); it being acknowledged by the parties hereto that punitive damages are not available as a remedy hereunder. Nothing in this Agreement shall be the basis of any claim by Purchaser for a refund of any sums paid by Purchaser hereunder except as provided in subparagraph (b) of this Paragraph.

7. All notices, demands, payments or other communications which are required or permitted to be given or made hereunder, shall be in writing and shall be deemed given or made, as the context requires, on the third day after the date when mailed by certified or registered mail, prepaid, return receipt requested, to the party to whom intended, at the address of such party hereinbefore set forth or at such other address of which such party shall have given notice to the others in the manner provided herein, or the date or the date of personal delivery. Notices signed by the attorneys for the respective parties shall be deemed sufficient without the necessity of having the parties execute such notices.

8. (a) Promptly after the execution of this Agreement, Purchaser will make application to First American Title Insurance Company of New York, and such other co-insuring title company acceptable to the parties, for the issuance of an interim title insurance binder or report of title insurance in an amount at least equal to the Purchase Price, as hereinbefore set forth, the examination fee for which interim binder or report of title and the premium for which title insurance shall be paid for by Purchaser. Promptly after receipt of such interim binder or report, Purchaser shall give Seller notice of any objections to title shown thereby other than the Permitted Exceptions and Seller shall cause all such objections to be cured by the date specified as the Closing Date, subject to an extension of the Closing for up to 60 days. If all such objections are not cured within a reasonable period of time after the date specified for the Closing Date, Purchaser may elect to waive the objections and proceed to Closing without offset or deductions from the Purchase Price or treat the same as a default by Seller by giving notice to Seller to such effect, and, upon the giving of notice, this Agreement shall become null and void and or no further force and effect, with neither party having any further rights or liabilities hereunder except as herein expressly provided.

INSERT 8(c)

*8(c) Notwithstanding anything contained in subparagraph 8(a), 8(b) or 6(b) above or otherwise in this Agreement, Seller shall discharge or remove of record or otherwise clear title (including arrangements satisfactory to First American Title Insurance Company of New York so as to cause it to issue title coverage without exception) by payment, bond or otherwise any lien, mortgage, lease, encumbrance, tenancy or other matter of title dischargeable or removable of record or otherwise capable of being cleared of title by the payment of a monetary amount, failing which Purchaser may discharge or remove the same of record or otherwise clear title of the same out of the proceeds of the Purchase Price.

a breach hereof (an "Event of Default"), Seller shall have the right to terminate this Agreement upon notice to Purchaser. Upon the giving of such notice and Purchaser's failure to cure the Event of Default within 90 days thereafter (time being of the essence), the parties shall be released and relieved of any and all further obligations or liabilities hereunder, including any installment payments of the Option Deposit not yet due pursuant to paragraph 1 (b) and this Agreement shall be of no further force or effect except as provided in subparagraphs 3 (c) and (e); paragraph 9; and subparagraphs 14(f) and (j); it being acknowledged by the parties hereto that punitive damages are not available as a remedy hereunder.

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7. All notices, demands, payments or other communications which are required or permitted to be given or made hereunder, shall be in writing and shall be deemed given or made, as the context requires, on the third day after the date when mailed by certified or registered mail, prepaid, return receipt requested, to the party to whom intended, at the address of such party hereinbefore set forth or at such other address of which such party shall have given notice to the others in the manner provided herein, or the date or the date of personal delivery. Notices signed by the attorneys for the respective parties shall be deemed sufficient without the necessity of having the parties execute such notices.

8. (a) Promptly after the execution of this Agreement, Purchaser will make application to First American Title Insurance Company of New York, and such other co-insuring title company acceptable to the parties, for the issuance of an interim title insurance binder or report of title insurance in an amount at least equal to the Purchase Price, as hereinbefore set forth, the examination fee for which interim binder or report of title and the premium for which title insurance shall be paid for by Purchaser. Promptly after receipt of such interim binder or report, Purchaser shall give Seller notice of any objections to title shown thereby other than the Permitted Exceptions and Seller shall cause all such objections to be cured by the date specified as the Closing Date, subject to an extension of the Closing for up to 60 days. If all such objections are not cured within a reasonable period of time after the date specified for the Closing Date, Purchaser may elect to waive the objections and proceed to Closing without offset or deductions from the Purchase Price or treat the same as a default by Seller by giving notice to Seller to such effect, and, upon the giving of notice, this Agreement shall become null and void and or no further force and effect, with neither party having any further rights or liabilities hereunder except as herein expressly provided.

(b) Seller will execute an affidavit if requested by the title insurance company in order to remove exceptions from the interim title binder or report of title relative to existing leases or tenancies and mechanics', materialmen's or similar liens. If a search of the title discloses judgments, bankruptcies, or other returns against other persons having names the same as or similar to that of the Seller, the Seller will, upon request, deliver to the title company an affidavit showing that such judgments, bankruptcies, or other returns are not against the Seller. Any lien or other matter of title which Seller is required to remove shall not constitute an objection to title, provided, Seller provides an instrument of satisfaction, bond or discharge, reasonably satisfactory to Purchaser or the title insurance company at the Closing. Upon reasonable advance notice, Purchaser shall advance such sums out of the Purchase Price to pay or discharge any such liens or other matters. Nothing herein shall require Seller to remove or discharge any matter of title except those arising after the date hereof solely by reason of the acts of Seller constituting a breach of this Agreement.

See Insert 8(c)

~~(c) Notwithstanding anything contained in subparagraph 8 (a), (b), or 6 (b) above, Seller shall discharge of record or bond any lien or other matter of title dischargeable by the payment of a liquidated sum only, failing which Purchaser may discharge the same out of the proceeds of the Purchase Price.~~

Insert *

9. The parties agree that no broker, finder or salesman brought about this transaction and agree to hold each other harmless from any loss or damage that may be suffered by the other party resulting from any brokerage claim, including reasonable counsel fees in defending such action brought about by the conduct of the other party in dealing with any intermediaries. This paragraph shall survive the Closing.

10. The Purchaser shall have the right to assign this Agreement or all or a portion of its rights hereunder on notice to Seller, accompanied by documentation verifying the assumption and recognition of this Agreement by the assignee. Thereafter, any and all references herein to the Purchaser shall then be or shall include, as appropriate, references to the assignee, but the Purchaser named herein shall not be relieved of any liability or obligation hereunder for any acts, claims or omissions arising during the Option Period. Purchaser shall give Seller not less than 90 days' notice (a "Sell Notice") of intent to assign or transfer, such notice to set forth the material terms and conditions of the transaction. The Sell Notice shall constitute an offer to Seller to acquire Purchaser's rights under this Agreement and in the Premises, if any, upon the payment (and delivery, as the case may be) within 90 days following receipt of the Sell Notice of an amount equal to the sum (or documents evidencing the obligations) Purchaser would have received had the proposed assignment or other transfer taken place. Nothing herein shall limit or affect Purchaser's right to assign this Agreement or rights hereunder to a development vehicle (e.g., an "LLC" or partnership), provided, Purchaser retains a material development role in the Project. If Seller declines such terms or if Seller does not respond within the 90 day period, Purchaser shall be free to assign or transfer to any third party on the terms set forth in the Sell Notice. The terms of this paragraph shall apply to any future proposed assignments or transfers.

INSERT * PAGE 8

INSERT 8(c)

*8(c) Notwithstanding anything contained in subparagraph 8(a), 8(b) or 6(b) above or otherwise in this Agreement, Seller shall discharge or remove of record or otherwise clear title (including arrangements satisfactory to First American Title Insurance Company of New York so as to cause it to issue title coverage without exception) by payment, bond or otherwise any lien, mortgage, lease, encumbrance, tenancy or other matter of title dischargeable or removable of record or otherwise capable of being cleared of title by the payment of a monetary amount, failing which Purchaser may discharge or remove the same of record or otherwise clear title of the same out of the proceeds of the Purchase Price.

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11. The Closing Date and the Closing respectively shall be held at the offices of the Purchaser's attorney, or at the offices of Lender in New York City, within 90 days after the exercise of the Option (as the same may be extended as hereinabove provided) or on an earlier date as may be set by Purchaser on at least 20 days' notice to Seller. Purchaser shall have the right to extend the Closing Date for an additional 60 days on five business days' notice in the event that the Lender is not prepared to proceed with the Closing, subject to Purchaser's right to extend the Option Period for a further reasonable time no to exceed 30 days on notice to Seller. Notwithstanding the foregoing, Seller shall have the right to extend the Closing Date for up to 180 days in order to satisfy its obligations hereunder in the event the Option is exercised prior to the first anniversary of the date hereof. At Closing Seller shall deliver to the co-tenants or to Purchaser, as the context requires, the usual bargain and sale deed executed by the Seller in recordable form, with revenue stamps in the proper amount affixed by the Seller so as to convey to the co-tenants or Purchaser, the fee simple of the Premises in accordance with the terms of this Agreement. Seller shall also pay all transfer or recording taxes in connection therewith although same may not be paid by virtue of revenue stamps, and the parties shall execute Form TP-584 and equalization form. Acceptance of the deed by the co-tenants or Purchaser shall constitute full performance and satisfaction by Seller of all of its duties and obligations hereunder except as herein expressly provided. All sums paid hereunder including the reasonable cost of title examination and survey of the Premises are hereby made liens thereon, but such liens shall not continue after a default by the Purchaser or its designated entity.

12. Seller represents, warrants and covenants:

(a) that it is the owner and holder of fee title to the Premises, free and clear of all matters except the Permitted Exceptions;

(b) that it is a validly existing corporation organized under the laws of the State of New York, and has all requisite power and authority to execute and deliver this Agreement and all other documents required to be executed by the Seller necessary to consummate the transactions contemplated by this Agreement without the joinder or consent of any other person or entity, and that David Norkin, as President, has the power to execute and deliver this Agreement and to bind the Seller in accordance with its terms;

(c) that it has duly authorized the execution and delivery of this Agreement, related agreements, schedules and Exhibits and the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms except insofar as the enforcement hereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditor's rights generally from time to time in effect;

(d) that the Premises are not a superfund site, that the Premises are not, to the best of Seller's actual knowledge, in violation of CERCLA or RCRA, and that Seller has no actual knowledge that the Premises contains or is contaminated by any hazardous or toxic waste or material. Seller has no actual knowledge of any material or environmental change in the condition of the Premises since the completion of the August 1990 soil and groundwater environmental assessment report prepared by AKRF, Inc., entitled "Oak Point Site Assessment Report", (the "AKRF Report"). The information contained in the 1990 AKRF Report, the May 20, 1987 Langan Engineering test report, and the September 8, 1989 Wehran EnviroTech test report, copies of which have been supplied to Purchaser, are true to the best of Seller's actual knowledge. Seller shall indemnify, defend and hold Purchaser harmless (the "Seller's Environmental Indemnity") from and against any loss by reason of the breach of the foregoing representations (the "Permitted Claims"). In the event Purchaser shall make a Permitted Claim under Seller's Environmental Indemnity, (I) it shall do so on notice given to Seller not later than the date of the Project's initial synchronization (time being of the essence hereof); (II) Seller shall have the right to participate in the defense or settlement of the underlying claim with counsel or other experts of its choice; (III) Seller shall pay half the amount of the loss actually incurred by Purchaser by reason of any Permitted Claim, Seller's obligation in no event to exceed $10,000,000.00 aggregate, and (IV) in the event Seller exercises the option described in 3 (b) above to the extent of at least 30% of the Purchase Price, Seller's obligation under (III) shall be limited to (but secured by) Seller's share of distributions of net cash flow. Seller's obligations under this subparagraph shall terminate on the 30th consecutive day after the second anniversary of the Closing unless prior to such date Purchaser or its designee shall serve upon Seller a pleading in any action or proceeding to enforce the terms hereof.

(e) Seller shall bear any expense or cost incurred by Purchaser or the Project as a result of any additional remediation work required to be performed, or any additional penalty required to be paid pursuant to NYS DEC Order No. R2-3324-90-11. A copy of DEC Order No. R2-3324-90-11 has been provided to Purchaser by Seller. Additional remediation work shall mean any work, grading or removal of debris not required for the construction of the Project but solely required for the Premises to be in compliance with DEC Order No. R2-3324-90-11. Seller's obligations under this subparagraph shall terminate thirty days after the second anniversary of the Closing unless prior to such date Purchaser or its designee shall serve upon Seller a pleading in any action or proceeding to enforce the terms hereof;

(f) the Premises are zoned M-3;

(g) Seller shall obtain and keep in force reasonable liability coverage throughout the term hereof; and,

(h) Seller makes no other warranties or representations, and Purchaser agrees to accept the Premises in their present state and condition, "as is".

13. (a) Purchaser represents that it is a validly existing corporation organized under the laws of the State of New Jersey, and has all requisite power and authority to execute and deliver this Agreement and all other documents required to be executed by the Purchaser necessary to consummate the transactions contemplated by this Agreement without the joinder or consent of any other person or entity and that Steven E. Smith, as Vice President, has the power to execute and deliver this Agreement and to bind the Purchaser in accordance with its terms.

of the Premises since the completion of the August 1990 soil and groundwater environmental assessment report prepared by AKRF, Inc., entitled "Oak Point Site Assessment Report", (the "AKRF Report"). The information contained in the 1990 AKRF Report, the May 20, 1987 Langan Engineering test report, and the September 8, 1989 Wehran EnviroTech test report, copies of which have been supplied to Purchaser, are true to the best of Seller's actual knowledge. Seller shall indemnify, defend and hold Purchaser harmless (the "Seller's Environmental Indemnity") from and against any loss by reason of the breach of the foregoing representations (the "Permitted Claims"). In the event Purchaser shall make a Permitted Claim under Seller's Environmental Indemnity, (I) it shall do so on notice given to Seller not later than the date of the Project's initial synchronization (time being of the essence hereof); (II) Seller shall have the right to participate in the defense or settlement of the underlying claim with counsel or other experts of its choice; (III) Seller shall pay half the amount of the loss actually incurred by Purchaser by reason of any Permitted Claim, Seller's obligation in no event to exceed $10,000,000.00 aggregate, and (IV) in the event Seller exercises the option described in 3 (b) above to the extent of at least 30% of the Purchase Price, Seller's obligation under (III) shall be limited to (but secured by) Seller's share of distributions of net cash flow. Seller's obligations under this subparagraph shall terminate on the 30th consecutive day after the second anniversary of the Closing unless prior to such date Purchaser or its designee shall serve upon Seller a pleading in any action or proceeding to enforce the terms hereof.

(e) Seller shall bear any expense or cost incurred by Purchaser or the Project as a result of any additional remediation work required to be performed, or any additional penalty required to be paid pursuant to NYS DEC Order No. R2-3324-90-11. A copy of DEC Order No. R2-3324-90-11 has been provided to Purchaser by Seller. Additional remediation work shall mean any work, grading or removal of debris not required for the construction of the Project but solely required for the Premises to be in compliance with DEC Order No. R2-3324-90-11. Seller's obligations under this subparagraph shall terminate thirty days after the second anniversary of the Closing unless prior to such date Purchaser or its designee shall serve upon Seller a pleading in any action or proceeding to enforce the terms hereof;

(f) the Premises are zoned M-3;

(g) Seller shall obtain and keep in force reasonable liability coverage throughout the term hereof; and,

(h) Seller makes no other warranties or representations, and Purchaser agrees to accept the Premises in their present state and condition, "as is".

13. (a) Purchaser represents that it is a validly existing corporation organized under the laws of the State of New Jersey, and has all requisite power and authority to execute and deliver this Agreement and all other documents required to be executed by the Purchaser necessary to consummate the transactions contemplated by this Agreement without the joinder or consent of any other person or entity and that Steven E. Smith, as Vice President, has the power to execute and deliver this Agreement and to bind the Purchaser in accordance with its terms.

(b) Purchaser represents that it has duly authorized the execution and delivery of this Agreement, related agreements, schedules and Exhibits and the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms except insofar as the enforcement hereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditor's rights generally from time to time in effect.

(c) Purchaser hereby covenants and agrees prior to the Closing Date, and in the event of a termination of this Agreement at all times following such termination, to keep confidential and to cause its agents and employees to keep confidential, and not use in any manner any information obtained from Seller or its officers, directors, agents and employees concerning the Premises or the assets, properties, operations and business of Seller, unless readily ascertainable from public records or published information, or trade sources, subject to the requirements of law, or except in the normal course of communications with investors and lenders.

(d) Until the Closing Date Purchaser shall obtain and keep in force reasonable liability coverage, including "tail" coverage, insuring against Purchaser's actions throughout the Option Period.

14. (a) This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same agreement.

(b) The rights and obligations set forth herein shall bind and inure to the benefit of the heirs, executors, successors and assigns of the respective parties hereto. This Agreement may not be amended except in writing and signed by both parties.

(c) This Agreement together with Exhibits hereto, which supersedes all prior negotiations, discussions, understandings and agreements heretofore had between the parties, constitutes the sole and entire agreement of the parties respecting the subject matter hereof, and in no event shall either party be charged with any covenant, representation, warranty, guarantee, indemnity, or other agreement except to the extent expressly stated in this Agreement. This covenant shall survive any termination or cancellation hereof.

(d) On the date of execution hereof, Purchaser shall pay Twenty Thousand ($20,000.00) dollars to Seller for Seller's legal, accounting or other professional fees, costs, and disbursements incurred in the preparation and negotiation of this Agreement.

(e) This Agreement shall be governed by and interpreted in accordance with the internal substantive laws of the State of New York. The parties hereto hereby expressly agree that jurisdiction respecting any dispute between or among them arising out of this Agreement shall be solely in the New York State Supreme Court (venue in New York County), and that service of process for in personam jurisdiction over either party shall be sufficient if made in the manner prescribed for the giving of notices under Section 7. This covenant shall survive any termination or cancellation hereof.

(f) During the Option Period, Purchaser shall indemnify, defend and hold Seller harmless from and against any and all manner of claim, liability, action, demand or other loss which Seller may incur, suffer of be exposed to arising out of or relating to the acts or omissions of Purchaser, its agents or contractors under this Agreement, their activities upon the Premises or otherwise relating to the transactions contemplated hereby. Seller shall be entitled to be represented by counsel of its own choosing and to approve or reject any settlement proposed in any action to which this Paragraph applies. This Paragraph shall survive any termination or cancellation of this Agreement.

(g) During the Option Period, Seller shall indemnify, defend and hold Purchaser harmless from and against any and all manner of claim, liability, action, demand or other loss which Purchaser may incur, suffer or be exposed to, arising out of or relating to the negligent acts or omissions of Seller, its agents or contractors under this Agreement, their activities upon the Premises or otherwise relating to the transactions contemplated hereby. Purchaser shall be entitled to be represented by counsel of its own choosing and to approve or reject any settlement proposed in any action to which this Paragraph applies. This Paragraph shall survive any termination or cancellation of this Agreement.

(h) Each of the Exhibits attached hereto constitutes an integral part of this Agreement.

(i) Seller may, on notice to Purchaser, convey title to Purchaser pursuant to a IRC Sec. 1031 exchange in accordance with the provisions set forth in Exhibit "E" hereto.

(j) (i) In any case where this Agreement provides for the determination of any matter by arbitration, specifically paragraphs "3a", and "3b", the same shall be submitted for resolution by arbitration in New York City by the American Arbitration Association, or any successor, in accordance with the rules of the American Arbitration Association, or such successor.

(ii) The party requesting arbitration shall give notice to that effect to the other party and shall in such notice appoint a disinterested person of at least five years' experience in a calling connected with the ownership or operation of real estate in New York, New York, comparable to the Premises. Within 20 days thereafter, the other party may, by notice to the first party, appoint a second disinterested person possessing like qualifications as arbitrator on its behalf. If the two arbitrators thus appointed cannot reach agreement on the matter in question within 45 days after the appointment of the second arbitrator, then the two arbitrators thus appointed shall appoint a third disinterested arbitrator of at least ten years' experience in a calling connected with the ownership or operation of real estate in New York, New York comparable to the Premises and process for in personam jurisdiction over either party shall be sufficient if made in the manner prescribed for the giving of notices under Section 7. This covenant shall survive any termination or cancellation hereof.

(f) During the Option Period, Purchaser shall indemnify, defend and hold Seller harmless from and against any and all manner of claim, liability, action, demand or other loss which Seller may incur, suffer of be exposed to arising out of or relating to the acts or omissions of Purchaser, its agents or contractors under this Agreement, their activities upon the Premises or otherwise relating to the transactions contemplated hereby. Seller shall be entitled to be represented by counsel of its own choosing and to approve or reject any settlement proposed in any action to which this Paragraph applies. This Paragraph shall survive any termination or cancellation of this Agreement.

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(ii) The party requesting arbitration shall give notice to that effect to the other party and shall in such notice appoint a disinterested person of at least five years' experience in a calling connected with the ownership or operation of real estate in New York, New York, comparable to the Premises. Within 20 days thereafter, the other party may, by notice to the first party, appoint a second disinterested person possessing like qualifications as arbitrator on its behalf. If the two arbitrators thus appointed cannot reach agreement on the matter in question within 45 days after the appointment of the second arbitrator, then the two arbitrators thus appointed shall appoint a third disinterested arbitrator of at least ten years' experience in a calling connected with the ownership or operation of real estate in New York, New York comparable to the Premises and possessing all of the other aforesaid qualifications, and such third arbitrator shall alone, as promptly as possible, determine such matter, provided that if the second arbitrator shall not have been appointed as aforesaid, the first arbitrator shall alone proceed to determine such matter.

(iii) If the two arbitrators appointed by the parties shall be unable to agree, within 45 days after the appointment of the second arbitrator, either as to the matter in question or on the appointment of a third arbitrator, they or either of them, shall give notice of such failure to agree to the parties, and, if the parties fail to agree upon the selection of such third arbitrator within 15 days after the arbitrators appointed by the parties give notice as aforesaid, then within 10 days thereafter, either of the parties, upon written notice to the other party, may request such appointment by the American Arbitration Association (or any successor thereto), or on its failure, refusal or inability to act, may apply for such appointment to a court of competent jurisdiction.

(iv) The determination made as above provided shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrators chosen by the parties, the sole arbitrator, if the second party does not choose an arbitrator, or the third arbitrator appointed as above provided, as the case may be, shall give notice to the parties stating their or her/his determination, and shall furnish to each party a signed copy of such determination.

(v) Each party shall pay half the expenses of the arbitration properly incurred hereunder.

(k) Upon request of either party, the other will promptly execute and deliver such documents, or perform such acts, without cost, as are reasonably necessary to implement the intendment of this Agreement as embodied in its terms, this covenant to survive Closing or any cancellation or termination hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto executed and delivered this Agreement as of the day and year first above written.

ABB ENERGY VENTURES, INC.	BRITESTARR HOMES, INC.
By: [signature]	By: [signature]
Steven E. Smith, Vice President	David Norkin, President

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